

Article - Insurance

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§16–119.

(a) (1) A life insurer may refuse an application for a policy of life insurance on the life of a minor only if the refusal is consistent with § 27–501(a)(2) of this article.

(2) An application for a policy of life insurance on the life of a minor that is submitted for underwriting shall include:

(i) the signature of the applicant; and

(ii) unless the minor is emancipated or married, the consent and signature of the parent or legal guardian with whom the minor resides.

(3) The life insurer shall include on the first page of the application for a policy of life insurance on the life of a minor, on a disclosure provided to the applicant at the time of application, or on an endorsement to the policy the following statement in 12 point bold type:

“A person who feloniously and intentionally kills, conspires to kill, or procures the killing of the insured and who is a named beneficiary of a life insurance policy on the insured is not entitled to a benefit under the policy.”.

(b) As part of the life insurer’s written standards and procedures for policy application and acceptance, the life insurer shall:

(1) request that the applicant for a policy of life insurance on the life of a minor identify the amount of other life insurance coverage on the life of the minor that is in force or pending at the time of the application;

(2) document the applicant’s response on the application; and

(3) take reasonable steps to verify the amount of other life insurance in force or pending.

(c) If an application for a life insurance policy on the life of a minor is for a policy that has a benefit of \$50,000 or less and is issued without underwriting, the life insurer shall:

(1) request that the applicant for a policy of life insurance on the life of a minor identify the amount, if any, of other life insurance coverage on the life of the minor that is in force or pending at the time of the application;

(2) document the applicant's response on the application;

(3) take reasonable steps to verify the total amount of life insurance in force or pending; and

(4) document the steps taken on a particular application to verify the total amount of life insurance in force or pending.

(d) (1) For each application for a policy of life insurance on the life of a minor that is rejected by a life insurer, the life insurer shall maintain at the life insurer's home or principal office, for at least 3 years after the date the application was signed by the applicant, a complete file containing:

(i) the original signed application;

(ii) the life insurer's underwriting analysis;

(iii) any correspondence with the applicant; and

(iv) any other documents pertinent to the decision to reject the application.

(2) The life insurer shall obtain and keep records sufficient to demonstrate that the applicant for a policy of life insurance on the life of a minor has an insurable interest in the life of the minor in accordance with § 12-201 of this article.

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